

VETO STATEMENT • Resolution #14/15-240

I am vetoing this resolution on this date, June 5th, 2015.

1. The resolution cites "a difficult financial outlook" and that the "taxpayers are continually asked to bear the burden for balancing the city budget." These conditions exist in every municipality and do not form the basis to ask the state to make an exception to the law that prohibits using sewer fund revenue for general fund purposes. The reality is that the City of Amsterdam operates at 39% of its constitutionally imposed taxing limit and that this budget and the last budget were adopted with property tax decreases.

2. Though the city's financial records have been inaccurate, the identified accounting problems are being straightened out and the city does not appear to have a poor financial outlook.

3. This Council was presented a budget that was balanced through the inclusion of a new revenue source (city-run ambulance service). This proposal would have removed tax burden from our taxpayers. The Council has chosen to ignore this option.

4. The Council has proposed a shift of money from the Sewer Fund without specifying the amount needed or why it is necessary, given that they have adopted a proposed budget without this transfer.

5. This proposed transfer appears to be intended as a short-term solution to funding recurring costs. This was a practice of the County Board of Supervisors that earned negative comments in its 2013 audit. The OSC noted that the supervisors had adopted budgets that were structurally unsound, "The County's declining financial condition is the result of poor budgeting and financial management practices, and the board's failure to develop and use long-term financial plans". We should not make the same mistakes here.

6. I have spoken with our financial advisors and have been informed that transferring fund balance from the Sewer Fund to support the General Fund may have a detrimental impact on the city's credit rating, putting us at risk for a rating downgrade, which would then needlessly increase the cost of borrowing in the future.

7. There are critical repairs that must be made to the Waste Water System (treatment plant, pump stations, and distribution lines) that may require drawing from our established reserves. Further, it would be wise to accumulate Sewer Fund balance to defray future capital costs while there are significant high volume users on the system.

8. The Common Council sought state legislative action without discussing this with my office or staff. To approach the State without the counsel of staff or the Mayor is inappropriate. Clearly, it demonstrates an unwillingness to work collaboratively with this administration.

In light of the aforementioned points, I hereby veto this resolution.

A handwritten signature in dark ink, appearing to read "Ann M. Thane", with a long, sweeping horizontal line extending to the right.

Mayor Ann M. Thane

CITY OF AMSTERDAM, NY
COMMON COUNCIL
MAY 21, 2015

RESOLUTION #14/15-240

RESOLUTION REQUESTING STATE LEGISLATURE TO ALLOW THE CITY OF AMSTERDAM TO TRANSFER MONIES FROM THE SEWER FUND TO THE GENERAL FUND TO BALANCE THE CITY GENERAL FUND BUDGET

BY: FULL COUNCIL

WHEREAS, the City of Amsterdam is facing a difficult financial outlook and as a result taxpayers are continually asked to bear the tax burden for balancing the City budget, and

WHEREAS, the City owns and operates both Water Distribution and Waste Water facilities within the city, and

WHEREAS, General Municipal Law 94 allows the City to use a fraction of Water System revenue for the General Fund which has historically helped the city to counterbalance taxes and provide much-needed services, and

WHEREAS, the City wishes to be allowed to use a portion of its Waste Water Revenue to stay within the state 2% tax cap in a manner similar to that allowed by General Municipal Law 94 for Water Revenues,

RESOLVED, the Common Council hereby requests the NY State Senate and Assembly to pass legislation allowing the City of Amsterdam to use a portion of its Waste Water Revenue or Fund Balance for General Fund purposes.

RESOLUTION ADOPTED UNANIMOUSLY.

COMMON COUNCIL
City of Amsterdam, NY

	Aye	Nay
Alderman Russo	✓	
Alderwoman Beekman	✓	
Alderman Barone	✓	
Alderwoman Hatzenbuhler	✓	
Alderman Leggiero	✓	

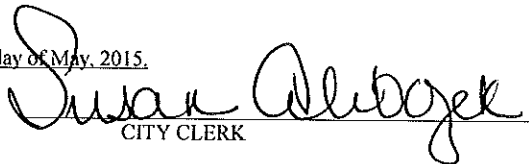


ANN M. THANE, MAYOR

DATED: _____, 2015

This is to certify that I, Susan Alibozek, City Clerk of the City of Amsterdam, County of Montgomery, State of New York, that the above is the original Resolution, passed by the City of Amsterdam Common Council on May 21, 2015 a majority of all members elected to the Council voting in favor

I have set my hand and the official seal of the City of Amsterdam this 21th day of May, 2015.


CITY CLERK

CITY SEAL

Received & Filed in the Office of the City Clerk: _____

Received by: _____